

October 19, 2021

## **GPSS 1<sup>st</sup> Green Bond Annual Review**

### **GPSS Holdings Inc.**

GPSS Holdings, Inc. (CEO: Masaaki Mezaki, hereinafter referred to as GPSS) issued their first corporate Green Bond (GPSS Holdings, Inc. 1<sup>st</sup> Unsecured Bond, hereinafter referred to as “the bond”) in July 2020. This bond was issued in the domestic market in the form of a private placement with Sumitomo Mitsui Trust Bank, Ltd. (CEO: Kazuya Oyama) as the main underwriter.

A green bond is a bond issued by a company or other entity to raise funds for green projects (projects that improve the environment, such as renewable energy, construction and renovation of energy-efficient buildings, and prevention and control of environmental pollution). The funds raised by the bond will be used to finance capital expenditure and development of 14 solar power generation facilities under development by GPSS. Please refer to “GPSS Holdings Inc. Green Bond Evaluation” on the Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi, “JCR”) website for detailed rating information regarding the bond, and the following press release for more information:

[\(https://gpssgroup.jp/hd-greenbond-eng/\)](https://gpssgroup.jp/hd-greenbond-eng/)

As part of the annual review of the bond, we would like to report on the following details: how the funds from the bond were used, the amount of electricity generated, the amount of CO2 emissions reduced, and the equivalent household electricity consumption funded by the bond.

Table 1 : Use of funds (as of end of July 2021)

Site Name	Location	Type of Power	Power Generation Capacity (kW)	Status	Allocated Funds (‘000 yen)
Maedamen	Kosai, Shizuoka	Solar	1,117.2	Operating	23,000
Hirono	Futaba, Fukushima	Solar	25,000.0	Construction in progress	200,000
Kanuma	Kanuma, Tochigi	Solar	9,000.0	Operating	77,000
Total					300,000

Table 2 : Electricity generated, CO2 emissions reduced, equivalent household electricity consumption (as of end of July 2021)

Site Name	Power generation measurement period			Actual Electricity Generated (MWh)	CO2 Emissions Reduced (kg- CO2) *1	Equivalent Household Electricity Consumption *2 (no. households)
	Operation Start	End (of measurement)	Period (years)			
Maedamen	2020/12/01	2021/07/31	0.7	953	487,901	217
Hirono	-	-	-	0	0	0
Kanuma	2021/04/01	2021/07/31	0.3	3,849	1,970,734	875
Total				4,802	2,458,635	1,092

\*1 CO2 emissions reduction = electricity generation (MWh) x 1000 x 0.512 (value for calculating emissions in 2018) (2018 figure used when issuing bond)

\*2 Ministry of the Environment: Survey of actual conditions related to the estimation of carbon dioxide emissions from household's National test survey (October 2014 - September 2015) Annual electricity consumption per household by construction method (individual units)

Annual consumption of electricity per household converted into individual units (kWh) x 4,397 kWh

The review of this Green Bond has been assigned a rating of "Green1" by JCR. Please see the JCR website for more details on the review (Japanese only):

[LINK]

[https://www.jcr.co.jp/download/1f5dc9b0fdf064591ee8299915ff8c5e24e1e54c55e6519555/21d0788\\_1.pdf](https://www.jcr.co.jp/download/1f5dc9b0fdf064591ee8299915ff8c5e24e1e54c55e6519555/21d0788_1.pdf)

GPSS will continue to make every effort to help realize a sustainable society.



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